

WEEKLY HIGHLIGHTS

Week ending March 21, 2008

State law assigns four core duties to the State Planning Office that include: 1) conducting continuing economic analysis, including economic forecasting, 2) coordinating the development of the State's economy and energy resources with the conservation of its natural resources; 3) providing technical assistance to towns and regions; and 4) providing technical assistance to the Governor and Legislature by undertaking special studies and plans and preparing policy alternatives.

UPCOMING MEETINGS

Meeting of the Governor's Council on Maine's Quality of Place

March 25, 2008, 1:00 PM – 4:30 PM PUC Hearing Room, 242 State Street, Augusta

Public Hearing on LD 2257, An Act to Establish a Uniform Building and Energy Code

March 25, 1:00 PM – Room 208, Cross State Office Building, Joint Standing Committee on Business, Research and Economic Development
Work session to follow on Wednesday, March 26th

Public Hearing on LD 2250, Resolve Regarding Legislative Review of Portions of Chapter 220: Methodology for Identification of Regional Service Centers, a Major Substantive Rule of the Executive Department, State Planning Office

March 26, 2008, 1:00 pm – Room 208 Cross Office Building, Joint Standing Committee on Business, Research and Economic Development

DIRECTOR'S POLICY AND MANAGEMENT TEAM

Building and energy code bills to be heard. Two bills related to building codes will be considered by the BRED Committee on Tuesday, March 25. There will be a hearing for LD 2257 and LD 2179 on building and energy codes that day. A work session on those bills and on LD 1038, a bill carried over from last year on contractor licensing, will be held the next day on March 26. Please check the legislative calendar for any possible schedule changes. **CONTACT:** Sue Inches at 287-2989 or sue.inches@maine.gov

Historic tax credit bill receives favorable review. LD 262, a bill to enhance the historic tax credit received a unanimous ought to pass vote from the Taxation Committee last week. Funding for the tax credit has been an issue. An amendment proposes to use a portion of the Real Estate Transfer Tax, which would have gone to the Home Fund for affordable housing, to fund the tax credit. As part of the amendment, an additional 5% tax credit was added for any portion of historic preservation projects dedicated to affordable housing. Watch the legislative calendar for votes in the house and senate on this bill. **CONTACT:** Sue Inches at 287-2989 or sue.inches@maine.gov

COMMUNITY ASSISTANCE PROGRAMS

It's Flood Safety Awareness Week! Governor Baldacci declared March 17-21, 2008, as Flood Safety Awareness Week in order to encourage Mainers to take protective measures against the possibility of spring flooding. The Governor's proclamation, issued on the first day of spring, is designed to raise awareness about the need to buy a separate flood insurance policy. Homeowner's and business owner's insurance does not cover floods. The State Planning Office advises:

- If you live in a flood prone area, be sure to monitor the latest forecasts for flood watches or warnings.
- Report any flooding to the appropriate local officials or your county emergency management agency.
- Always obey all barricades and local detours.
- Never, under any circumstance, drive into a flooded roadway.

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ECONOMICS AND DEMOGRAPHICS

January retail sales released. State total retail sales for January 2008 decreased 3% when compared to January 2007. The general merchandise, building supply, and automotive sectors all contributed to the drop in sales, offset by increases in the food, lodging, and other retail sectors. Retail sales for December 2007 were revised upward from -6% to -3%. The revision reflects sales in the automotive and restaurant sectors that were not included in the preliminary report.

January 2008 Retail Sales

	% Change Jan 2007 to Jan 2008	% Change Dec 2006 to Dec 2007
Building Supply	-9%	-11%
Food Store	1%	2%
General Merchandise	-6%	-8%
Other Retail	2%	-2%
Restaurant	0%	-5%
Lodging	7%	6%
Auto Transportation	-5%	-3%
Total	-3%	-3%
Business Operating	2%	7%
Personal Consumption	-3%	-5%

Source: Maine Revenue Services

The taxable retail sales data is available for download on the State Planning Office website at <http://www.state.me.us/spo/economics/economic/retailsales.htm>

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GOVERNOR'S OFFICE OF ENERGY INDEPENDENCE AND SECURITY

Heating fuel prices rise again. The Office of Energy Independence and Security's March 17, 2008, survey of home heating oil prices found the current statewide average cash price for No. 2 heating oil to be up by \$.17 since the last week at \$3.78 per gallon and \$1.39 higher than last year at this time. The statewide kerosene price average is up by \$.17 since last week at \$4.17 per gallon and \$1.38 higher than last year at this time. The propane price survey found the statewide average to be \$3.00 per gallon which is the same as last week and \$0.55 higher than last year at this time.

The price of WTI crude oil broke an inflation adjusted record today trading at \$111.90 per barrel before receding. As of March 7, New England (PADD1a) heating oil inventories stood at 5,481 thousand barrels, or 852 thousand barrels less than last year at this time. The Office conducts a weekly survey of home heating oil, kerosene, and propane prices from November through March. This is the last scheduled heating oil survey for the 2007-2008 heating season. **CONTACT:** Ian Burnes at 287-8927 or ian.burnes@maine.gov